REMARKS

As pointed out above, directions to amend the specification were inaccurately given in the April 1, 2004 Response, and this Supplemental Response seeks to correct and replace the inaccurate instructions.

The Remarks section in the April 1, 2004 Response also included inaccurate references to page and line numbers of the specification. These are corrected below. We regret the inconvenience this causes the Examiner and the Office.

Page and line number corrections in Remarks of April 1, 2004 Response

- **Page 20, last two lines of April 1, 2004 Response:**

"page 7, lines 7-13 and page 48, line 20 - page 49, line 19" should read "page 7, line 15 – page 8, line 3 and page 49, line 18 – page 50, line 2."

- **Page 21, footnote, line 2:**

"page 15, line 20" should read "page 15, line 23" and "page 16, lines 15-21" should read "page 16, line 18 – page 17, line 2".

- **Page 24, line 1:**

"page 6, line 17 – page 8, line 6 and page 47, line 11 – page 48, line 18" should read "page 6, line 18 – page 8, line 7 and page 48, line 9 – page 49, line 2."

- **Page 26, lines 7-8:**

"page 8, lines 3-9 and page 51, lines 5-22" should read "page 8, lines 4-10 and page 52, lines 4-21."

- **Page 28, line 15:**

"page 7, line 14 – page 8, line 2 and page 49, line 20 - page 51, line 4" should read "page 7, line 15 – page 8, line 3 and page 50, line 19 - page 52, line 3."

- **Page 29, line 5:**

"page 50, lines 13-18" should read "page 51, lines 12-17."

The Remarks section from the April 1, 2004 Response is reproduced below identically, except for correction of the page and line numbers inaccurately referenced in the April 1, 2004 Response, as corrected above.

REMARKS (from April 1, 2004 Response)

Claims 1-17 and 19-40 are pending in the application. Claim 18 was canceled.

Claims 15-17, 19-20 and 34-37 have been amended. Claims 1-14, 21-33 and 38-40 are

as originally filed and are subject to a restriction requirement.

The interview

Applicant's representatives gratefully acknowledge the interview with Examiner

Snapp on November 18, 2003.

Restriction Requirement (Pages 3-4 of Office Action)

The applicant affirms the telephone election described on page 4 of the October

1, 2003 Office Action.

Drawings (Page 2 of Office Action)

New formal drawings are enclosed.

Reference numeral "72" remains in Fig. 2, and the specification has been

amended at page 18, lines 14 to refer to reference numeral "72." Page 18, line 13 was

also amended to refer to Figs. 2 and 3 with respect to "(AEBIG) 66."

As presented above, approval of an amendment to Fig. 3 to change reference

numeral "72" to "68" is requested. The block referenced by "72" in Fig. 3 is labeled

"Trade Server," which is also referenced by "68" in Figs. 2 and 3. Enclosed is a copy of

Fig. 3 with the requested change shown in red.

As presented above, approval of an amendment to Fig. 2 to change

"PowerMatch^SM Host Computer" to --Host Computer" is requested. This requested

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change is consistent with the amendments to the specification with respect to

"PowerMatch." Enclosed is a copy of Fig. 2 with the requested change shown in red.

Abstract (Pages 2-3 of Office Action)

A new Abstract is provided above.

Amendments to Specification (Page 3 of Office Action)

With respect to the Preliminary Amendment, page 2, lines 14-15 have been

amended to delete "owned by Bloomberg L.P" to address the examiner's request. In

addition, the specification has been amended through out to either delete "

PowerMatch^{SM}" or replace it with "BLOOMBERG POWERMATCH$^{®}$". Also, page 18 has

been amended as described above in connection with the discussion of the drawings.

Claim Objections (Page 4 of Office Action)

The amendments to claims 34-39 delete reference to "step" or "steps."

Section 112 Rejections (Page 5 of Office Action)

Claims 15-20 recite a trading system which comprises user stations, a computer

and programming. Claims 34-37 now recite a "method for processing trading orders...in

a trading system." It is submitted that claims 15-20 and 34-37 satisfy 35 U.S.C. §112 in

all respects.

With respect to the phrase "user stations" in claim 34, it is submitted that claim

34, as amended, is not indefinite.

Section 101 Rejections (Pages 5-6 of Office Action)

As pointed out above, claims 15-20 recite a trading system comprising user

stations, a computer, and programming, and claims 34-37 recite a method for trading

forwards between parties in a trading system, and go on to recite elements of the

respective method. It is submitted that claims 15-20 and 34-37 satisfy 35 U.S.C. §101.

Claim Rejections Under 35 U.S.C. §102 (Pages 6-8 of Office Action)

The Examiner applied US Patent No. 5,905,975 (Ausubel) to reject elected

claims 15-18, 20, 34, 36 and 37 under 35 U.S.C. §102, and cited to specific passages in

Ausubel in support of the rejection, as the table below summarizes.

Claims	Feature	Ausubel Citation
Claims 15 and 34	sweep trading (sequentially aggressing a series of orders)	col. 11, line 5 - col. 12, line 38
Claims 16 and 36	same trade again	col. 29, lines 1-42
Claim 17	same trade again (dependent on claim 16)	col. 7, line 66 – col. 8, line 18
Claim 18 (canceled)		
Claim 20	joining	col. 29, lines 1-42
Claim 37	joining	col. 11, line 5 - col. 12, line 38

Each of the rejections is discussed below.

Claims 15 and 34 (Sweep Trading or Sequentially Aggressing)
(Ausubel, col. 11, line 5 - col. 12, line 38

The rejections of claims 15 and 34, as they may be applied to amended claims

15 and 34, are traversed.

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Claim 15 encompasses, for example, a trading system as disclosed in the application which runs, for example, the sweep trading feature described on page 7, line 15 - page 8, line 3 and page 49, line 18 - page 50, line 2 of the application.

Paraphrasing amended claim 15, user stations of the trading system include at least one display device and at least one input device, and the trading system includes programming that enables a first counterparty to sequentially select, using the at least one display device and the at least one input device of the first counterparty, a series of trading orders displayed on the first counterparty's display device while the computer does not execute any order of the series until after all orders in the series have been selected.

Discussing amended claim 15 in more detail, it claims a trading system for trading forwards between parties, comprising a plurality of user stations, each including at least one display device and at least one input device, a computer capable of executing[1] forwards trades and programming executable in at least one of the computer and one or more user stations that provides for the trading system to perform the following:

- display forwards trading orders on display devices of user stations;
- execute trades of matched forwards trading orders of parties of counterparty pairs;

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[1]   The specification discloses system architecture which includes a central computer (e.g., page 3, line 14) and host computers (e.g., page 15, line 23). In addition, the application at page 16, line 18 – page 17, line 2 points out that "host computers 26 and their respective components, should be construed broadly to include personal computers, work stations, portable devices and other such computing and communication hardware operatively coupleable over wired and/or wireless communication networks as is generally known to those in the art. Accordingly, it is within the scope of the present invention for the apparatus disclosed herein to be merely illustrative of apparatus suitable for executing the inventive methods and processes taught herein."

- providing for a first counterparty of at least one counterparty pair to sequentially select for execution by the trading system, using the at least one display device and the at least one input device of a user station of the first counterparty, a series of forwards trading orders of at least one second counterparty of the at least one counterparty pair displayed on the at least one display device of the user station of the first counterparty, with the trading system not executing any trade of matched forwards trading orders of the series until after all orders in the series have been selected.

With respect to amended claim 15, Ausubel does not disclose or suggest a trading system in which a first counterparty of at least one counterparty pair may sequentially select, using a display device and an one input device of a user station of the first counterparty, a series of forwards trading orders of at least one second counterparty of the at least one counterparty pair displayed on the at least one display device of the user station of the first counterparty, with the trading system not executing any trade of matched forwards trading orders of the series until after all orders in the series have been selected.

At the interview, the Examiner contended that, interpreting claim 15 broadly in the form then pending, Ausubel disclosed sequentially selecting orders. As the discussion below demonstrates, the auction/bidding process described at columns 11 and 12 of Ausubel, to which the Examiner cites in her rejection of claim 15, does not involve a bidder or auctioneer selecting a series of bids or offers. In the auction process described at columns 11-12 of Ausubel, an auctioneer might begin a computerized auction by transmitting a "message" indicating that he is willing to sell 1,000,000 shares at $10 apiece. Bidders are permitted to input "responses" consisting of bidding rules (including limitations, if desired) for both the current price and subsequent prices as well. A bidder's initial response may include a willingness to purchase numbers of

shares at given prices outright, and numbers of shares at given prices with conditions, e.g., only if more than a total number of shares are offered. Depending upon bidding responses, the auctioneer may change the offering price, e.g., where bids exceed the offered quantity.

In the auction process described in columns 11-12 of Ausubel, the auctioneer system runs through a number of iterations in order to determine the price at which it will accept bids. When the auctioneer system determines the price, bids at the acceptance price are accepted. The auctioneer system does not sequentially select orders at different prices, but accepts bids at a given price. This is not, as claimed in amended claim 15, programming in the claimed system that provides for a first counterparty of at least one counterparty pair to sequentially select as described in claim 15.

Ausubel also does not disclose the method in claim 34 in which forwards trading orders are displayed on display devices of user stations, and a first counterparty of at least one counterparty pair sequentially selects, using the at least one display device and the at least one input device of a user station of the first counterparty, for execution by the trading system, a series of forwards trading orders of at least one second counterparty of the at least one counterparty pair displayed on the at least one display device of the user station of the first counterparty, with the trading system not executing a trade of any matched forwards trading orders of the series until after all orders in the series have been selected.

It is submitted that claims 15 and 34 are allowable over Ausubel.

Claims 16 and 36 (Same Trade Again) (Ausubel, col. 29, lines 1-42)

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The rejections of claims 16 and 36, as they may be applied to amended claims 16 and 36, are traversed.

Claim 16 encompasses, for example, a trading system as disclosed in the application which runs, for example, the same trade again feature described, for example, on page 6, line 18 - page 8, line 7 and page 48, line 9 - page 49, line 2 of the application.

The trading system claimed in amended clam 16 comprises user stations including at least one display device and at least one input device, a computer capable of executing forwards trades, and programming that provides for the trading system to display forwards trading orders on display devices of user stations, execute a trade of matched forwards trading orders of parties of a counterparty pair and, after execution of the trade, provide notification to the parties of the counterparty pair displayed on display devices of the respective user stations of the parties of the counterparty pair of the availability of a new forwards trade having the same pricing and size terms as the executed trade, and executing the new trade in response to input by both of the parties of the counterparty pair at respective user stations using an input device to select the respective notification displayed on a respective display device within a predetermined time after the parties of the counterpart pair are provided with notification of the availability of the new trade.

At the interview, the Examiner suggested that claim 16 should indicate that the same trade may be executed again without a need for the parties each to re-enter orders for the trade. Amended claims 16 and 36 clearly provide for this.

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Column 29 of Ausubel, to which the Examiner cites in her rejection of claim 16, relates to Fig. 8 and an auction of dissimilar articles. This type of auction is also discussed in column 4 of Ausubel. Bidders input bids into a user system in the form of pairs (S,P), where S is a subset of the articles and P is the bid price. The auctioneer system queries the user system as described in column 29 to determine a solution to the problem of maximizing bid revenues (col. 29, line 4, *et seq.*) and when to terminate the auction (col. 29, line 43, *et seq.*). While users are allowed to enter more than one bid, there is no disclosure of bidders and the auctioneer system repeating a just completed auction of the same items at the same price.

It is submitted that Ausubel does not disclose that after a trade is executed: (a) the parties to the trade be provided with notification of the availability of a new trade having the same pricing and size terms as the executed trade; and (b) the trading system executing the new trade in response to input to respective user stations by both of the parties to the executed trade within a predetermined time after the parties are notified of the availability of the new trade.

Claim 17 is dependent upon claim 16. It is submitted that Ausubel does not disclose the combined subject matter of claims 16 and 17.

It is submitted that Ausubel also does not disclose the method in claim 36 in which a trade of matched forwards trading orders of parties of a counterparty pair is executed, and after execution of the trade, notification is provided to the parties of the counterparty pair displayed on display devices of the respective user stations of the parties of the counterparty pair of the availability of a new forwards trade having the

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same pricing and size terms as the executed trade, and the trading system executing

the new trade in response to input by both of the parties of the counterparty pair at

respective user stations using an input device to select the respective notification

displayed on a respective display device within a predetermined time after the parties of

the counterparty pair are notified of the availability of the new trade.

It is submitted that claims 16, 17 and 36 are allowable over Ausubel.

Claim 20 (Joining) (Ausubel, col. 20, lines 1-42) &
Claim 37 (Joining) (Ausubel, col. 11, line 5-col. 12, line 38)

The rejections of claims 20 and 37, as they may be applied to amended claims

20 and 37, are traversed.

Claim 20 encompasses, for example, a trading system as disclosed in the

application which runs, for example, the joining feature described, for example, on page

8, lines 4-10 and page 52, lines 4-21 of the application.

The trading system claimed in amended claim 20 comprises user stations, each

including at least one display device, a computer capable of executing forwards trades

and programming providing for the trading system to:

- display selectable forwards trading orders of the plurality of parties on display
  devices of user stations;

- provide a function, selectable at user stations, for a party to add a new forwards
  trading order to the trading system having pricing and size terms the same as an
  existing forwards trading order of another party; and

- in response to selection of the function at a user station of one party and
  selection of an existing forwards trading order of another party displayed on a
  display device of the user station of the one party, automatically adding as a new
  forwards trading order to that user station of the one party a forwards trading

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order having the same pricing and size terms as the selected forwards trading order of the other party.

At the interview, the Examiner suggested that claim 20 should indicate that the same order may be entered without a need for a party to enter order information as other orders are entered. Amended claims 20 and 37 clearly provide for this.

It is submitted that Ausubel does not disclose a trading system which provides a function, selectable at user stations, for one party to add a new forwards trading order to the trading system having pricing and size terms the same as an existing forwards trading order of another party, and which automatically adds a forwards trading order of the one party in response to selection of the function at a user station of the one party and selection of an existing forwards trading order of another party displayed on a display device of the user station of the one party, where the added forwards trading order has the same pricing and size terms as the selected forwards trading order of the other party.

As discussed above in connection with claim 16, column 29 of Ausubel, to which the Examiner cites in her rejection of claim 20, relates to FIG. 8 and an auction of dissimilar articles and a determination of a solution to the problem of maximizing bid revenues (col. 29, line 4, *et seq.*) and when to terminate the auction (col. 29, line 43, *et seq.*).

As also discussed above in connection with claim 15, columns 11-12 of Ausubel describe an auction/bidding process which does not mention inputting a new trading order as described in claim 20.

The auction format described in columns 11-12 of Ausubel provides for each bidder to enter bidding responses. The auction procedure described in column 29 and the

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auction format described in columns 11-12 of Ausubel do not suggest that one bidder may enter the same response or part thereof of another bidder by selecting the other bidders response from a display thereof.

Claim 34 claims a method for trading forwards between parties in a trading system, where a first counterparty of at least one counterparty pair to sequentially selects, using the at least one display device and the at least one input device of a user station of the first counterparty, for execution by the trading system, a series of forwards trading orders of at least one second counterparty of the at least one counterparty pair displayed on the at least one display device of the user station of the first counterparty, with the trading system not executing a trade of any matched forwards trading orders of the series until after all orders in the series have been selected. As the discussion above demonstrates, such a method is not disclosed in Ausubel.

It is submitted that claims 20 and 34 are allowable over Ausubel.

Claim Rejections Under 35 U.S.C. §103

Claims 19 and 35 were rejected under 35 U.S.C. § 103 as being unpatentable over Ausubel in view of Wilton et al. US Patent No. 6,519,574. The rejections of claims 19 and 35, as they may be applied to amended claims 19 and 35, are traversed.

Claim 19 encompasses, for example, a trading system as disclosed in the application which runs, for example, the spread trading feature described, for example, on page 7, line 15 – page 8, line 3 and page 50, line 19 - page 52, line 3 of the application. A forwards spread trade involves a primary leg and a secondary leg, and a trader directly trades "on the difference between a bid price and an offer price" of the primary and secondary legs, as discussed on page 7. In the forwards spread trading

embodiment described in the application, the trading system automatically sets up and maintains links between a forwards spread trading order and components of the first and second legs. To accomplish this, the trading system automatically generates a forwards spread order from components of the primary and secondary legs, or a component of one of the legs from a forwards spread order and other components of the legs which are stored in memory. As is the case with other orders displayed on the trading system described in the application, selection of an order can lead to execution of a trade. For example, see the description of trading starting on page 30 of the application. In the specific case of a forwards spread trade, the trading system traverses the links (see page 51, lines 12-17) between legs and the forwards spread trade to execute trades on the legs, and includes a spread price to a user for the difference in the prices of the leg trades between the user and one counterparty for one leg and between the user and another counterparty for the other leg.

The trading system of claim 19 comprises a plurality of user stations, a computer capable of executing forwards trades, and memory and programming that provides for the trading system to receive, process and store forwards orders and to execute forwards trades including a forwards spread trade comprising a first leg forwards trade and a second leg forwards trade, the difference between prices of the first and second leg forwards trades representing a price spread of the spread trade. In connection with the processing and execution of a forwards spread trade, the programming provides for the trading system to:

- automatically generate from forwards orders stored in memory one of a forwards spread order including a spread price representing a difference between prices of

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potential first and second leg forwards trades and an order relating to one of the first and second leg forwards trades and a spread order;

- display on display devices of user stations the automatically-generated order; and

- in response to a request entered by a party at a user station to execute the automatically-generated order, execute the forwards spread trade including executing among the party and two other parties the first leg forwards trade at the first price and the second leg forwards trade at the second price, wherein the difference between the first and second prices represents the spread price of the spread trade.

At the interview, the Examiner contended that claim 19 was obvious from Wilton et al. and from spread trading in general. Wilton et al. discloses a form of spread trading. In addition, some of the references cited in the Information Disclosure Statement filed herewith disclose forms of spread trading.

It is submitted that amended claims 19 and 35 define a trading system and method in which forwards spread trading is carried out substantially differently from the types of trades described in Wilton et al. and in some of the newly cited references. In the Wilton et al. patent, each trading entity has the option of entering auto-arbitrage parameters including minimum spread information, minimum size information, and whether to automatically execute the arbitrage transactions or alert the user of the arbitrage opportunity. After an alert is generated, the trading entity may decide to pursue the arbitrage transaction by input to the trader terminal. The screen in Fig. 8 of Wilton et al. accepts input by a party to designate a minimum spread entry for instruments X, Y, and Z and a minimum size designation for the instruments, as well as whether to automatically execute or provide an alert. The minimum spread determines the price differential and the minimum size determines the quantity needed to identify an

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arbitrage opportunity. The party who entered the arbitrage information then becomes a party to an automatically executed trade, or receives an alert regarding a possible trade.

In summary, in Wilton et al., a user inputs arbitrage information and when the Wilton et al. system identifies an arbitrage opportunity, it either automatically executes or provides an alert to the user who entered the arbitrage opportunity. That user may then elect to proceed or not. Claims 19 and 35 provide for automatically generating a forwards spread order or an order relating to one of the leg forwards trades, and executing the forwards spread trade in response to a request entered by a party (not limited to a party who entered a spread order) to execute the automatically-generated order.

Thus, the trading system of claim 19 and the method of claim 35 are quite different from the arbitrage system described in Wilton et al.

It is submitted that claims 19 and 35 are allowable over Wilton et al. and the references cited in the accompanying Information Disclosure Statement.

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Closing

It is submitted that amended claims 15, 16, 17, 19, 20 and 34-37 are allowable.

Reconsideration and allowance of the application with those claims are requested.

Respectfully submitted,

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Frank J. DeRosa

Frank J. DeRosa
Reg. No. 26,543
BROWN RAYSMAN MILLSTEIN
  FELDER & STEINER LLP
900 Third Avenue
New York, New York 10022
(212) 895-2010
(212) 895-2900 FAX

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